



NAVIADDRESS

## Terms of NaviToken™ Sale

PLEASE READ THESE TERMS OF TOKEN SALE CAREFULLY. IF YOU DO NOT AGREE TO THESE TERMS OF SALE, DO NOT PURCHASE TOKENS.

Your purchase of NaviTokens™ (“NVT”) from Naviaddress Platform Limited or its subsidiary (“**Company**,” “**we**,” or “**us**”) is subject to these Terms of Sale (“**Terms**”). Each of you and Company is a “**Party**,” and together the “**Parties**.”

These **Terms** govern your purchase of NVT from us during the Pre-Sale and Sale Period (as defined further).

The use of NVT in connection with the Services or Platform shall be governed by these Terms together with all applicable terms and policies published at <https://naviaddress.io> (collectively, the “**Platform Terms and Policies**”) which shall be incorporated in, and form part of, these Terms.

The Platform Terms and Policies may be amended or supplemented at any time in the sole discretion of the Company.

To the extent of any conflict with these Terms, the Platform Terms and Policies shall control with respect to any issues relating to the use of NVT in connection with the Services or Platform.

No person has been authorized to make any statement concerning the Company or the offering of NVT other than as set forth in these Terms, and any such statements, if made, must not be relied upon.

Prospective purchasers should inform themselves as to the legal requirements and tax consequences within the countries of their citizenship, residence, domicile and place of business with respect to the acquisition, holding or disposal of NVT, and any foreign exchange restrictions that may be relevant thereto.

The distribution of NVT and the offer and sale of NVT in certain jurisdictions may be restricted by law. These Terms are not an offer to sell or a solicitation of an offer to buy, nor will any NVT be offered or sold to any person, in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful under the laws of such jurisdiction.

By purchasing NVT from us during Pre-Sale and Sale Period (as defined further) and/or using NVT in connection with the Platform (as defined below), you will be bound by these Terms.

You and Company agree as follows

### 1. NAVIADDRESS, SYSTEM AND PLATFORM

The Company intends to develop and/or has developed each of the following:

- a) a software solution based on the Company’s proprietary technology that will publish information on Naviaddresses (the “**System**”);

- b) a complex software solution (applications, public API, etc.) based on decentralized system powered by blockchain (the “Platform”), which will offer various products, transactions and services relating to Naviaddress (the “Services”);
- c) a loyalty program based on NaviToken (“NVT”).

Although the Company intends to develop the Platform in the manner described above, it reserves the right to modify features, functionalities or development plans in its sole and absolute discretion.

The Company will have primary responsibility for the provision of Services and for administering the development of certain aspects of the Platform however will engage third parties to assist with the implementation and launch of the Platform.

The Company is an exempted company with limited liability incorporated in the Cayman Islands and is not subject to supervision or regulation by the Cayman Islands Monetary Authority or any other regulatory authority in any jurisdiction.

## **2. DEVELOPMENT OF PLATFORM WITH NVT FUNCTIONALITY AND SERVICES**

The Company anticipates that the key components of the Platform will include:

- a) the Ethereum platform which facilitates the issuance of NVT and determines the rules pursuant to which rights will be given to Naviaddresses (business logics) within the Platform based on smart contracts. NVT is based on the Ethereum protocol and conforms to the ERC20 standard;
- b) the decentralized database of Naviaddresses in which additional information relating to it such as postal addresses, descriptions, pictures, media files, website, e-mail and other (“**Metadata**”) will be stored; and;
- c) a decentralized application for conducting auctions, through a provider of auction solutions chosen at the sole discretion of the Company.

The Platform has been developed and operated entirely by the Company however it is anticipated that certain affiliates and/or other third parties will provide administrative, technical and development services to the Company in connection with the Services and Platform.

Further details regarding the System and Platform are described in the Naviaddress Whitepaper (“**Whitepaper**”), which is available at <https://naviaddress.io>. The information contained in the Whitepaper and the Company’s website are of descriptive nature only, and do not form part of the Terms.

## **3. PURPOSE AND USE OF NVT IN CONNECTION WITH THE PLATFORM**

It is intended that NVT will only be used to acquire Naviaddresses or Services which may be made available on the Platform including the right to modify and update metadata related to such Naviaddress and to the Services.

It is anticipated that NVT will also be used to promote the System by awarding NVT to users for certain actions on the Platform such as: registration, invitation of others, creation of popular customs addresses and other activities.

Ownership of NVT carries no rights, uses or attributes, express or implied, other than, when the Platform is developed, the right to use NVT as a means to obtain Services.

In particular, you understand and accept that NVT do not represent or confer any ownership right or stake, share or security or equivalent rights, or any right to receive future revenue shares, intellectual property rights or any other form of participation in or relating to the Platform, and/or Company and its

corporate affiliates. NVT is not intended to be a digital currency, security, commodity or any other kind of financial instrument.

#### 4. NVT SALE

Your purchase of NVT from us during the Pre-Sale Period and the Sale Period (as defined below) is final, and there are no refunds or cancellations except as may be required by applicable law or regulation. We reserve the right to refuse or cancel NVT purchase requests at any time in our sole discretion.

You acknowledge and agree that there are risks associated with purchasing NVT, holding NVT, and using NVT in connection with Naviaddress, the Services and/or Platform including those risks detailed in the Exhibit.

If you have any questions regarding these risks, please contact us at [ico@naviaddress.com](mailto:ico@naviaddress.com). BY PURCHASING NVT, YOU EXPRESSLY ACKNOWLEDGE AND ASSUME THESE RISKS.

#### 5. NVT SALE PROCEDURES AND SPECIFICATIONS

Company will create up to 1 billion NVT through a smart contract on the Ethereum platform (“**Smart Contract System**”). All NVT will be of equal value and functionality.

The Company’s sale of NVT for accredited (qualified) purchasers will be in two stages, each beginning on the dates published at <https://naviaddress.io>, a pre-sale period (the “**Pre-Sale Period**”) followed by a sale period (the “**Sale Period**”).

Unless otherwise agreed with the Company, the sale price of 1 NVT is equal to: i) 0.10 Euro during the Pre-Sale Period; ii) 0.12 Euro during the first five days during the Sale Period; and iii) 0.15 Euro during the remaining Sale Period.

During the Pre-Sale Period, the NVT may only be purchased by purchasers who are both Accredited Purchasers and Eligible Purchasers.

Accredited Purchasers are purchasers who are:

- “sophisticated persons” meaning a person- (a) regulated by the Cayman Islands Monetary Authority; (b) any of whose securities are listed on recognised securities exchange; or (c) who - (i) by virtue of knowledge and experience in financial and business matters is reasonably to be regarded as capable of evaluating the merits of a proposed transaction; and (ii) participates in a transaction with a value or in monetary amounts of at least US\$100,000 or its equivalent in any other currency, in the case of each single transaction;
- “high net worth persons” meaning (i) an individual whose net worth is at least \$800,000 or its equivalent in any other currency; or (ii) any person that has total assets of not less than \$4,000,000 or its equivalent in any other currency; or
- a purchaser who, in their jurisdiction of residence, would satisfy a similar definition prescribed by the laws of such jurisdiction.

The purchase price that you pay for NVT is exclusive of all applicable taxes. You are responsible for determining what, if any, taxes apply to your purchase of NVT, including, for example, sales, use, value added, and similar taxes. It is also your responsibility to withhold, collect, report and remit the correct taxes to the appropriate tax authorities. We are not responsible for withholding, collecting, reporting, or remitting any sales, use, value added, or similar tax arising from your purchase of NVT.

NVT can be purchased with Ethereum, Bitcoin and Fiat currency; to receive the NVT you purchase, you must have an Ethereum wallet that supports the ERC20 token standard.

The Company reserves the right to prescribe additional wallet requirements.

To subscribe for NVT you will be required to:

- a) agree to these Terms by clicking the “I Agree with the Terms” at <http://naviaddress.io>;
- b) confirm that you are an Eligible Purchaser (as defined in Exhibit B to these Terms) and during the Pre-Sale Period, that you are an Accredited Purchaser;
- c) agree to provide such further verification of the identity and source of funds, as requested by the Company, before the application can be processed; and
- d) send the relevant amount of Ether, Bitcoin or Fiat currency to the Company’s corresponding wallet/account published at <https://naviaddress.io>.

Within 7 days after expiration of the Sale Period, the Company will trigger a smart contract operation, pursuant to which the Smart Contract System will automatically create and promptly deliver the corresponding NVT to the ERC20 wallet address provided by you.

You acknowledge and agree that the smart contracts generated by the Smart Contract System will be governed by the laws of the Cayman Islands and subject to the exclusive jurisdiction of the courts of the Cayman Islands.

## **6. NVT INITIAL ISSUE AND PLATFORM GROWTH FUND**

Of the Company NVT, 1,000,000,000 NVT will be issued in connection with the deployment and the development of the Platform, of which:

- 300,000,000 NVT will be allocated for distribution during the Pre-Sale and Sale Periods;
- 300,000,000 NVT will be allocated to Platform Growth Fund, which we will administer to incentivize use of the Platform;
- 300,000,000 NVT will be retained by the Company; and
- 100,000,000 NVT will be allocated to the Company’s management team and advisors.

## **7. USE OF PROCEEDS FROM NVT TOKEN SALE**

The Company anticipates that proceeds will be used to cover the following costs:

- 30% of proceeds will be reserved for business development;
- 30% of proceeds will be allocated to strategic partnership and integration projects;
- 20% of proceeds will be reserved for Platform protocol development;
- 10% of proceeds will be reserved to finance Platform marketing and PR activities; and
- 10% of proceeds will be reserved for operating and other unforeseen expenses.

## **8. PERSONAL INFORMATION & SECURITY**

We may determine, in our sole discretion, that it is necessary to obtain certain information about you in order to comply with applicable law or regulation in connection with selling NVT to you. You agree to provide us such information promptly upon request, and you acknowledge that we may refuse to sell NVT to you until you provide such requested information and we have determined that it is permissible to sell you NVT under applicable law or regulation.

You are responsible for implementing reasonable measures for securing the wallet, vault or other storage mechanism you use to receive and hold NVT you purchase from us, including any requisite private key(s)

or other credentials necessary to access such storage mechanism(s). If your private key(s) or other access credentials are lost, you may lose access to your NVT. We are not responsible for any such losses.

## 9. REPRESENTATIONS AND WARRANTIES

By transferring Bitcoin, Ether or other currencies to purchase NVT from us, you represent and warrant that:

- You understand that NVT confer only the rights specified above, and confer no other rights of any form with respect to the Platform or Company or its corporate affiliates, including, but not limited to, any voting, distribution, redemption, liquidation, proprietary (including all forms of intellectual property), or other financial or legal rights;
- You have read and understand these Terms (including all Exhibits);
- You have a sufficient understanding of the functionality, usage, storage, transmission mechanisms and other material characteristics of cryptographic tokens like Bitcoin and Ether, token storage mechanisms (such as token wallets), blockchain technology and blockchain-based software systems to understand these Terms and to appreciate the risks and implications of purchasing NVT;
- You have obtained sufficient information about NVT to make an informed decision to purchase NVT;
- You understand the restrictions and risks associated with the creation and distribution of NVT by the Smart Contract System. The Smart Contract Systems means the Ethereum ERC20 protocols intended distribute NVT as set forth herein, and acknowledge and assume all such risks;
- You are purchasing NVT solely for the purpose of receiving Services and supporting the development, deployment and operation of the Platform, being aware of the commercial risks associated with the Company and the Platform. You are not purchasing NVT for any other purposes, including, but not limited to, any investment, speculative or other financial purposes;
- Your purchase of NVT complies with applicable law and regulation in your jurisdiction, including, but not limited to, (i) legal capacity and any other applicable legal requirements in your jurisdiction for purchasing NVT, using NVT, and entering into contracts with us, (ii) any foreign exchange or regulatory restrictions applicable to such purchase, and (iii) any governmental or other consents that may need to be obtained;
- You will comply with any applicable tax obligations in your jurisdiction arising from your purchase of NVT;
- If you are purchasing NVT on behalf of any entity, you are authorized to accept these Terms on such entity's behalf and that such entity will be responsible for breach of these Terms by you or any other employee or agent of such entity (references to "you" in these Terms refer to you and such entity, jointly);
- You are not a citizen of or resident or domiciled in the USA or the Peoples Republic of China or purchasing NVT from a location in the USA or the Peoples Republic of China;
- You are not (i) a citizen or resident of a geographic area in which access to or use of the Services is prohibited by applicable law, decree, regulation, treaty, or administrative act, (ii) a citizen or resident of, or located in, a geographic area that is subject to U.S. or other sovereign country sanctions or embargoes. You agree that if your country of residence or other circumstances change such that the above representations are no longer accurate, that you will immediately cease using the Services. If you are registering to use the Services and the Platform on behalf of a

legal entity, you further represent and warrant that (i) such legal entity is duly organized and validly existing under the applicable laws of the jurisdiction of its organization, and (ii) you are duly authorized by such legal entity to act on its behalf; and

- To the extent permitted by law, you agree that title to, and risk of loss of, NVT you purchase from Company and receive from the Smart Contract System passes from Company to you in the Cayman Islands and that the Smart Contract is governed by the laws of the Cayman Islands.

## **10. -MONEY ANTI LAUNDERING**

As part of the Company's responsibility for the prevention of money laundering and the financing of terrorism, the Company and its affiliates, subsidiaries, associates or service providers may require a detailed verification of your identity, any beneficial owner underlying the account and the source of the payment.

The Company and other service providers engaged to provide "know-your-customer" or anti-money laundering-related services to the Company (any such other service provider, an "AML Provider") reserve the right to request such information as is necessary to verify your identity and the underlying beneficial owner or owners of NVT.

In the event of delay or failure by you in producing any information required for verification purposes, the Company may refuse to accept a subscription for NVT or may cause the cancellation of NVT purchased or held by you.

You will be required to make such representations to the Company and to any AML Provider, as the Company or such AML Provider shall require in connection with applicable anti-money laundering programs or regulations, including, without limitation, representations to the Company and any AML Provider that you are not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("OFAC") website and that you are not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs.

You also represent to the Company any AML Provider that amounts contributed by you were not directly or indirectly derived from activities that may contravene Cayman Islands or other international laws and regulations, including anti-money laundering laws and regulations.

If, as a result of any information or other matter which comes to his or her attention during the course of his or her business, trade, profession or employment, any person resident in the Cayman Islands knows or suspects that a payment to the Company (by way of subscription or otherwise) constitutes or is derived from the proceeds of crime, such person is required to report such knowledge or suspicion pursuant to the Proceeds of Crime Law (as revised) of the Cayman Islands. Such a report shall not be treated as a breach of any restriction upon the disclosure of information imposed by law or otherwise.

## **11. DISCLAIMERS**

The Company expressly disclaims any and all responsibility for any direct or consequential loss or damage of any kind whatsoever arising directly or indirectly from: (i) reliance on any information contained in these Terms or the White Paper, (ii) any error, omission or inaccuracy in any such information or (iii) any action resulting from such information.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS OTHERWISE SPECIFIED IN A WRITING BY US, (A) NVTs ARE SOLD ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, AND THE COMPANY EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES AS TO NVT, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT; (B) WE DO NOT REPRESENT OR

WARRANT THAT NVT ARE RELIABLE, CURRENT OR ERROR-FREE, MEET YOUR REQUIREMENTS, OR THAT DEFECTS IN NVT WILL BE CORRECTED; AND (C) WE CANNOT AND DO NOT REPRESENT OR WARRANT THAT NVT OR THE DELIVERY MECHANISM FOR NVT ARE FREE OF VIRUSES OR OTHER HARMFUL COMPONENTS.

Some jurisdictions do not allow the exclusion of certain warranties or disclaimer of implied terms in contracts with consumers, so some or all of the exclusions of warranties and disclaimers in this section may not apply to you.

**12. LIMITATION OF LIABILITY & INDEMNIFICATION**

To the fullest extent permitted by applicable law, you will indemnify, defend and hold harmless the Company and our respective past, present and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives, predecessors, successors and assigns (the “**Indemnified Parties**”) from and against all claims, demands, actions, damages, losses, costs and expenses (including attorneys’ fees) that arise from or relate to: (i) your purchase or use of NVT, (ii) your responsibilities or obligations under these Terms, (iii) your violation of these Terms, or (iv) your violation of any rights of any other person or entity.

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW: (I) IN NO EVENT WILL COMPANY OR ANY OF THE INDEMNIFIED PARTIES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND (INCLUDING, BUT NOT LIMITED TO, WHERE RELATED TO LOSS OF REVENUE, INCOME OR PROFITS, LOSS OF USE OR DATA, OR DAMAGES FOR BUSINESS INTERRUPTION) ARISING OUT OF OR IN ANY WAY RELATED TO THE SALE OR USE OF NVT OR OTHERWISE RELATED TO THESE TERMS, REGARDLESS OF THE FORM OF ACTION, WHETHER BASED IN CONTRACT, TORT (INCLUDING, BUT NOT LIMITED TO, SIMPLE NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR ANY OTHER LEGAL OR EQUITABLE THEORY (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE); AND (II) IN NO EVENT WILL THE AGGREGATE LIABILITY OF COMPANY AND THE **INDEMNIFIED** PARTIES (JOINTLY), WHETHER IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE, WHETHER ACTIVE, PASSIVE OR IMPUTED), OR OTHER THEORY, ARISING OUT OF OR RELATING TO THESE TERMS OR THE USE OF OR INABILITY TO USE NVT, EXCEED THE AMOUNT YOU PAY TO US FOR NVT.

THE LIMITATIONS SET FORTH ABOVE WILL NOT LIMIT OR EXCLUDE LIABILITY FOR THE GROSS NEGLIGENCE, FRAUD OR INTENTIONAL, WILLFUL OR RECKLESS MISCONDUCT OF COMPANY.

Some jurisdictions do not allow the limitation or exclusion of liability for incidental or consequential damages. Accordingly, some of the limitations of this section may not apply to you.

Any Indemnified Party or other identifiable person who is not a party to these Terms may enforce any rights granted to it pursuant to these Terms in its own right as if it was a party to these Terms. Except as expressly provided in the foregoing sentence, a person who is not a party to these Terms shall not have any rights under the Contracts (Rights of Third Parties) Law, 2014 (as amended) to enforce any term of these Terms. Notwithstanding any term of these Terms, the consent of or notice to any person who is not a party to these Terms shall not be required for any termination, rescission or agreement to any variation, waiver, assignment, novation, release or settlement under these Terms at any time.

**13. RELEASE**

To the fullest extent permitted by applicable law, you release Company and the other Indemnified Parties from responsibility, liability, claims, demands and/or damages (actual and consequential) of every kind and nature, known and unknown (including, but not limited to, claims of negligence), arising out of or related to disputes between users and the acts or omissions of third parties. **You expressly waive any rights you may have under any other statute or common law principles that would otherwise limit the coverage of this release to include only those claims which you may know or suspect to exist in your favor at the time of agreeing to this release.**

**14. GOVERNING LAW AND DISPUTE RESOLUTION**

These Terms will be governed by and construed and enforced in accordance with the laws of the Cayman Islands, without regard to conflict of law rules that would cause the application of the laws of any other jurisdiction. Any Dispute between the Parties arising out or relating to these Terms or its subject matter or formation (including non-contractual Disputes of claims) that is not subject to arbitration will be resolved in the courts of the Cayman Islands.

The Parties shall cooperate in good faith to resolve any dispute, controversy or claim arising out of, relating to or in connection with these Terms, including with respect to the formation, applicability, breach, termination, validity or enforceability thereof (a “Dispute”). If the Parties are unable to resolve a Dispute within ninety (90) days of notice of such Dispute being received by all Parties, such Dispute shall be finally settled by Binding Arbitration as defined below.

Any Dispute not resolved within 90 days shall be referred to and finally resolved by arbitration under the London Court of International Arbitration (LCIA) rules in effect at the time of the arbitration, except as they may be modified herein or by mutual agreement of the Parties. The number of arbitrators shall be one who shall be selected by Company. The seat, or legal place, of arbitration shall be London, England. The language to be used in the arbitral proceedings shall be English.

The arbitration award shall be final and binding on the Parties (“Binding Arbitration”). The Parties undertake to carry out any award without delay and waive their right to any form of recourse insofar as such waiver can validly be made. Judgment upon the award may be entered by any court having jurisdiction thereof or having jurisdiction over the relevant Party or its assets. The Parties will each pay their respective attorneys’ fees and expenses. Notwithstanding the foregoing, the Company reserves the right, in its sole and exclusive discretion, to assume responsibility for any or all of the costs of the arbitration.

Any dispute arising out of or related to these Terms is personal to you and the Company and will not be brought as class arbitration, class action or any other type of representative proceeding. There will be no class arbitration or arbitration in which an individual attempt to resolve a dispute as a representative of another individual or group of individuals. Further, a dispute cannot be brought as a class or other type of representative action, whether within or outside of arbitration, or on behalf of any other individual or group of individuals.

If any term, clause or provision of these Terms is held unlawful, void or unenforceable, then that term, clause or provision will be severable from these Terms and will not affect the validity or enforceability of any remaining part of that term, clause or provision, or any other term, clause or provision of these Terms.

**15. MISCELLANEOUS**

These Terms constitute the entire agreement between you and us relating to your purchase of NVT from us. We may make changes to these Terms from time to time as reasonably required to comply with



applicable law or regulation. If we make changes, we will post the amended Terms at [\*\*\*]. The amended Terms will be effective immediately. We may assign our rights and obligations under these Terms. Our failure to exercise or enforce any right or provision of these Terms will not operate as a waiver of such right or provision. We will not be liable for any delay or failure to perform any obligation under these Terms where the delay or failure results from any cause beyond our reasonable control. Purchasing NVT from us does not create any form of partnership, joint venture or any other similar relationship between you and us. Except as otherwise provided in herein, these Terms are intended solely for the benefit of you and us and are not intended to confer third-party beneficiary rights upon any other person or entity. You agree and acknowledge that all agreements, notices, disclosures, and other communications that we provide to you, including these Terms, will be provided in electronic form.

**Date: 01 November 2017**

## **Exhibit A**

### **By purchasing, holding and using NVT, you expressly acknowledge and assume the following risks:**

#### **Risk of loss of access to a NVT due to loss of credentials**

Until it is distributed NVT may be linked to the Company account. You can only access the Naviaddress Company account using the credentials selected by the buyer. The loss of these credentials will result in the loss of the NVT. Good practices advise buyers to store their credentials securely in one or more backup locations that are geographically separated from the work location.

#### **Risks Associated With the Ethereum Protocol**

Both NVTs and the System are based on the Ethereum protocol. Therefore, any malfunction, unplanned function or unexpected operation of the Ethereum protocol may cause the Naviaddress system or NVTs to malfunction or operate in a way that is not expected. Ether, the native Ethereum Protocol account unit, may itself lose value in a similar way to NVTs, and also in other ways.

For more information on the Ethereum protocol, see <http://www.ethereum.org>

#### **Risks associated with the buyer's credentials**

Any third party that obtains access to the buyer's credentials or private keys may be able to use the buyer's NVTs. To minimize this risk, buyers must protect themselves against people gaining unauthorized access to their electronic devices.

#### **Legal risk and risk of adverse regulatory intervention in one or more jurisdictions**

The operation of the System and of NVTs may be impacted by the passing of restrictive laws, the publication of restrictive or negative opinions, the issuing of injunctions by national regulators, the initiation of regulatory actions or investigations, including but not limited to restrictions on the use or ownership of digital tokens such as NVTs, which may prevent or limit development of the System.

Given the lack of crypto-currency qualifications in most countries, each buyer is strongly advised to carry out a legal and tax analysis concerning the purchase and ownership of NVTs according to their nationality and place of residence.

#### **Risk of an alternative, unofficial Naviaddress system**

Following presales and development of the original version of the NVT platform, there is a possibility that alternative systems may have been established using the same open-source code and open source protocol that underlies the Naviaddress system. The official Naviaddress system may find itself in competition with these alternatives, unofficial systems based on NVTs, which could potentially adversely impact the Naviaddress system and NVTs.

#### **Risk of a lack of interest in the Naviaddress system or distributed applications**

There is a possibility that the Naviaddress system may not be used by a large number of companies, individuals and other organizations, and that there may be limited public interest in the creation and development of distributed applications. Such a lack of interest could impact on the development of the Naviaddress system and, therefore, on the uses or potential value of NVTs.

#### **Risk that the Naviaddress system, as developed, does not meet buyer expectations**

The Naviaddress system is currently under development and may undergo significant redesign prior to its launch. For a number of reasons, not all buyer expectations concerning the Naviaddress system or NVT's form and function may be met on the launch date, including changes in design, implementation and execution of the Naviaddress system.

#### **Risk of theft and piracy**

Hackers or other malicious or criminal groups or organizations may attempt to interfere with the Naviaddress system or the availability of NVTs in several ways including, but not limited to, denial of service attacks, Sybil attacks, mystification, surfing, malware attacks, or consensus-based attacks.

#### **Risk of security weaknesses in the Naviaddress system's core infrastructure software**

The Naviaddress system's core software is based on open source software. There is a risk that the Naviaddress Company team, or other third parties, may intentionally or unintentionally introduce weaknesses or bugs into the core infrastructure elements of the Naviaddress system, by interfering with the use of, or causing loss of, NVTs.

#### **Risk of weakness or exploitable breakthrough in the field of cryptography**

Advances in cryptography, or technical advances such as the development of quantum computers, may present risks for crypto-currencies and the Naviaddress system, which could result in the theft or loss of NVTs.

#### **Risk of a NVT mining attack**

As with other decentralized cryptographic tokens and crypto-currencies, the block chain used for the Naviaddress system is vulnerable to mining attacks, including but not limited to, dual-expense attacks, powerful mining attacks, selfish mining attacks, and critical competition attacks. Any successful attack poses a risk to the Naviaddress system, the expected performance and sequencing of Naviaddress Company markets, and the expected performance and sequencing of Ethereum contract calculations. Despite the best efforts of the Naviaddress Company team, the risk of known or new mining attacks exists.

#### **Risk of the Naviaddress System Failing to Be Used or Adopted**

While NVTs should not be considered an investment, their value is bound to change over time. This value may be limited if the Naviaddress system is not sufficiently used and adopted. In such a case, there could be few or no markets at the platform launch, which would limit the value of NVTs.

#### **Risk of a Tight Market for NVTs**

There are currently no exchanges or trading facilities on which NVTs can be traded. If such exchanges or trading facilities do develop, they will probably be relatively new and subject to poorly understood regulatory oversight. They may therefore be more vulnerable to fraud and default than the established and regulated exchanges that exist for other products. Should exchanges or trading facilities that represent a substantial part of the NVT trading volume be involved in fraud, security failures or other operational problems, the failures of such exchanges or trading facilities may limit the NVT value or liquidity.

#### **Risk of an Uninsured Loss**

Unlike bank accounts or accounts in other regulated financial institutions, funds held through the Naviaddress Company or Ethereum network are generally uninsured. At present, there are no public or private insurance agents providing buyers with coverage against a loss of NVTs or a loss of value.

#### **Risk of winding-up of the Naviaddress Company project**

For a number of reasons including, but not limited to, an unfavourable fluctuation in Bitcoin value, an unfavourable fluctuation in NVT value, the failure of business relationships or competing intellectual property claims, the Naviaddress Company project may no longer be a viable activity and may be dissolved or simply not launched and the NVT may have no value.

#### **Risk of malfunction in the Naviaddress system**

The Naviaddress system may be impacted by an adverse malfunction including, but not limited to, a malfunction that results in the loss of NVTs or market information.

**Unforeseen risks**

Crypto-currencies and cryptographic tokens are a new, untested technology. In addition to the risks stipulated above, there are other risks that the Naviaddress Company team cannot predict. Risks may also occur as unanticipated combinations or as changes in the risks stipulated herein.

## **Exhibit B**

### **Eligible Purchaser**

Initially, all purchasers are Eligible Purchaser except the following:

- 1 a purchaser whose acquisition of NVT would cause a breach of the law or requirements of any country or governmental authority, including anti-money laundering regulations or conventions;
- 2 a purchaser on behalf of terrorists or terrorist organisations, including those persons or entities that are included on the List of Specially Designated Nationals and Blocked Persons maintained by the US Treasury Department's Office of Foreign Asset Control<sup>1</sup> (OFAC);
- 3 a purchaser who acts, directly or indirectly, for a senior foreign political figure, any member of a senior foreign political figure's immediate family or any close associate of a senior foreign political figure<sup>2</sup> unless the Company, after being specifically notified by the purchaser in writing that it is such a person, conducts further due diligence, and determines that the purchase is permitted;
- 4 a purchaser or an entity acting as trustee, agent, representative or nominee for a purchase that is a foreign shell bank<sup>3</sup>; and
- 5 a purchaser, or a purchaser that is an entity acting as trustee, agent, representative or nominee for a person, who is a citizen of or resident or domiciled in the USA or the Peoples Republic of China or purchasing NVT from a location in the USA or the Peoples Republic of China.

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<sup>1</sup>The OFAC list may be accessed on the web at <http://www.treas.gov/ofac>.

<sup>2</sup>Senior foreign political figure means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party or a senior executive of a foreign government-owned corporation. In addition a senior foreign political figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure. The immediate family of a senior foreign political figure typically includes the political figure's parents, siblings, spouse, children and in-laws. A close associate of a senior foreign political figure is a person who is widely and publicly known internationally to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

<sup>3</sup>Foreign shell bank means a foreign bank without a physical presence in any country, but does not include a regulated affiliate.